

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006

	December-06					September-06					Current	Prior Year	3 Years	5 Years
	Allocation	Quarter	Month	Net ROR	Net ROR	Allocation	Quarter	Month	Net ROR	Net ROR	Fiscal YTD	FY06	Ended	Ended
	Market Value	Actual	Policy			Market Value	Actual	Policy					6/30/2006	6/30/2006
													Net	Net
LARGE CAP DOMESTIC EQUITY														
<i>Structured Growth</i>														
LA Capital	815,551	3.7%	3.6%	7.70%	0.30%	755,932	3.6%	3.6%	1.81%	9.65%	11.88%		N/A	N/A
Total Structured Growth	815,551	3.7%	3.6%	7.70%	0.30%	755,932	3.6%	3.6%	1.81%	9.65%	11.88%		12.99%	0.19%
<i>Russell 1000 Growth</i>				5.93%	0.34%				3.94%	10.10%	6.12%		8.34%	-0.77%
<i>Structured Value</i>														
LSV	831,014	3.7%	3.6%	8.13%	1.98%	775,601	3.7%	3.6%	4.48%	12.97%	15.93%		21.06%	12.29%
<i>Russell 1000 Value</i>				8.00%	2.24%				6.22%	14.72%	12.10%		15.70%	6.89%
<i>Enhanced Russell 1000 Index</i>														
LA Capital	781,516	3.5%	3.4%	7.80%	1.47%	723,744	3.4%	3.4%	3.51%	11.58%	12.49%		12.73%	3.75%
<i>Russell 1000</i>				6.95%	1.28%				5.06%	12.36%	9.08%		12.05%	3.12%
<i>Enhanced S&P 500 Index</i>														
Northern Trust	787,134	3.5%	3.4%	6.42%	1.61%	738,574	3.5%	3.4%	6.56%	13.40%	9.33%		11.32%	2.81%
Westridge	883,160	4.0%	3.6%	6.86%	1.43%	825,821	3.9%	3.6%	5.68%	12.94%	8.80%		11.46%	2.80%
Wells Capital	540,421	2.4%	2.4%	13.95%	6.60%	472,200	2.2%	2.4%	1.21%	15.33%	N/A		N/A	N/A
Franklin	526,056	2.4%	2.4%	5.52%	1.97%	496,505	2.4%	2.4%	N/A	N/A	N/A		N/A	N/A
Total Enhanced S&P 500 Index	2,736,770	10.0%	9.4%	7.79%	2.57%	2,533,101	9.7%	9.4%	5.15%	13.34%	8.58%		11.40%	2.76%
<i>S&P 500</i>				6.70%	1.40%				5.67%	12.74%	8.63%		11.22%	2.49%
<i>S&P 500 Index</i>														
State Street	356,149	1.6%	1.7%	8.05%	2.52%	329,147	1.6%	1.7%	5.79%	14.30%	9.62%		11.55%	2.70%
<i>S&P 500</i>				6.70%	1.40%				5.67%	12.74%	8.63%		11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	5,521,001	24.9%	24.0%	7.85%	1.98%	5,117,525	24.3%	24.0%	4.32%	12.50%	10.93%		13.21%	3.86%
<i>S&P 500</i>				6.70%	1.40%				5.67%	12.74%	8.63%		11.22%	2.49%
SMALL CAP DOMESTIC EQUITY														
<i>Manager-of-Managers</i>														
SEI	1,983,126	8.9%	8.6%	8.85%	0.35%	1,819,042	8.7%	8.6%	-0.01%	8.84%	13.56%		18.31%	8.00%
<i>Russell 2000 + 200bp</i>				9.43%	0.50%				0.94%	10.46%	16.86%		21.06%	10.71%
Callan	779,491	3.5%	3.4%	8.45%	0.29%	706,151	3.4%	3.4%	-0.91%	7.46%	N/A		N/A	N/A
<i>Russell 2000</i>				8.90%	0.33%				0.44%	9.38%				
TOTAL SMALL CAP DOMESTIC EQUITY	2,762,617	12.4%	12.0%	8.74%	0.34%	2,525,193	12.0%	12.0%	-0.27%	8.45%	13.40%		18.25%	7.97%
<i>Russell 2000</i>				8.90%	0.33%				0.44%	9.38%	14.58%		18.70%	8.50%
INTERNATIONAL EQUITY														
<i>Large Cap - Core</i>														
State Street	258,249	1.2%	1.1%	11.53%	3.43%	231,646	1.1%	1.1%	3.40%	15.32%	27.85%		20.61%	6.87%
<i>MSCI EAFE (1)</i>				10.35%	3.14%				3.93%	14.69%	26.56%		20.76%	5.94%
<i>Large Cap - Active</i>														
Capital Guardian	756,414	3.4%	3.3%	8.42%	3.23%	697,020	3.3%	3.3%	4.95%	13.79%	28.01%		21.32%	6.58%
LSV	760,809	3.4%	3.3%	10.85%	4.76%	686,376	3.3%	3.3%	5.93%	17.43%	27.77%		N/A	N/A
Bank of Ireland	249,617	1.1%	1.1%	9.82%	1.93%	227,343	1.1%	1.1%	3.02%	13.14%	22.00%		19.16%	N/A
Total Large Cap - Active	1,766,839	8.0%	7.7%	9.65%	3.69%	1,610,738	7.7%	7.7%	5.09%	15.23%	27.11%		21.84%	7.14%
<i>MSCI EAFE - 50% Hedged</i>				9.06%	3.79%				4.87%	14.37%	26.72%		22.56%	6.89%
<i>Small Cap - Active</i>														
Lazard	255,589	1.2%	1.1%	15.51%	4.41%	221,265	1.1%	1.1%	1.38%	17.11%	25.04%		29.34%	N/A
Wellington	242,095	1.1%	1.1%	9.14%	3.39%	221,490	1.1%	1.1%	3.21%	12.65%	23.35%		25.26%	N/A
Total Small Cap - Active	497,684	2.2%	2.2%	12.33%	3.91%	442,756	2.1%	2.2%	2.29%	14.90%	24.18%		27.28%	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				11.41%	3.40%				1.55%	13.13%	29.21%		32.38%	N/A
TOTAL INTERNATIONAL EQUITY	2,522,773	11.4%	11.0%	10.36%	3.72%	2,285,140	10.9%	11.0%	4.36%	15.18%	26.61%		22.77%	8.74%
<i>MSCI EAFE - 50% Hedged</i>				9.06%	3.79%				4.87%	14.37%	26.72%		22.56%	6.89%
EMERGING MARKETS EQUITY														
<i>Core</i>														
JP Morgan	139,442	0.6%	0.5%	17.51%	5.15%	118,468	0.6%	0.5%	7.76%	26.63%	N/A		N/A	N/A
PanAgora	117,452	0.5%	0.0%	17.38%	4.93%	99,947	0.5%	0.0%	4.96%	23.20%	N/A		N/A	N/A
WestLB	119,033	0.5%	0.0%	17.37%	4.21%	101,309	0.5%	0.0%	2.94%	20.82%	N/A		N/A	N/A
UBS	210,027	0.9%	0.9%	16.12%	4.50%	180,507	0.9%	0.9%	4.67%	21.54%	N/A		N/A	N/A
Total Core	585,954	2.6%	1.9%	16.75%	4.58%	500,232	2.4%	1.9%	5.09%	22.69%	35.59%		32.44%	18.61%
<i>MSCI Emerging Markets</i>				17.64%	4.51%				5.01%	23.53%	35.91%		22.39%	12.89%
<i>Small Cap</i>														
DFA	135,342	0.6%	0.6%	20.71%	4.64%	111,874	0.5%	0.6%	8.53%	31.01%	N/A		N/A	N/A
<i>MSCI Emerging Markets</i>				17.64%	4.51%				5.01%	23.53%				
TOTAL EMERGING MARKETS EQUITY	721,296	3.2%	3.0%	17.47%	4.59%	612,106	2.9%	3.0%	5.71%	24.17%	34.40%		32.05%	18.40%
<i>MSCI Emerging Markets</i>				17.64%	4.51%				5.01%	23.53%	35.91%		34.76%	21.54%
DOMESTIC FIXED INCOME														
<i>Core Bond</i>														
Western Asset	649,277	2.9%	3.0%	1.78%	-0.52%	628,760	3.0%	2.9%	4.29%	6.14%	-1.15%		2.65%	5.96%
<i>Lehman Aggregate</i>				1.24%	-0.58%				3.81%	5.09%	-0.81%		2.05%	4.97%
<i>Index</i>														
Bank of ND	1,172,941	5.3%	6.1%	0.88%	-0.77%	1,165,009	5.5%	6.1%	3.77%	4.68%	-1.37%		1.53%	5.24%
Total Index	1,172,941	5.3%	6.1%	0.88%	-0.77%	1,165,009	5.5%	6.1%	3.77%	4.68%	-0.69%		2.10%	5.27%
<i>Lehman Gov/Credit</i>				1.04%	-0.76%				3.91%	4.99%	-1.52%		1.60%	5.13%
<i>Convertibles</i>														
TCW (2)	-	0.0%	0.0%	N/A	N/A	546,421	2.6%	2.9%	2.85%	N/A	4.54%		6.78%	1.15%
Calamos	596,052	2.7%	3.0%	N/A	0.41%	-	0.0%	0.0%	N/A	N/A	N/A		N/A	N/A
Total Convertibles	596,052	2.7%	3.0%	4.93%	0.41%	546,421	2.6%	2.9%	2.85%	7.92%	4.54%		6.78%	1.15%
<i>Merrill Lynch All Convertibles (3)</i>				5.01%	0.38%				2.79%	7.94%	9.37%		8.01%	4.94%

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	Allocation	Quarter	Month	Net ROR	Net ROR	Allocation	Quarter	Net ROR	Net ROR	Fiscal YTD	FY06	Ended 6/30/2006 Net	Ended 6/30/2006 Net
	Market Value	Actual	Policy			Market Value	Actual	Policy					
BBB Average Quality													
Wells Capital	649,013	2.9%	3.0%	2.07%	-0.39%	626,999	3.0%	2.9%	4.58%	6.74%	-2.70%	3.36%	5.51%
Lehman BBB				1.49%	-0.94%				4.80%	6.36%	-2.37%	2.39%	6.10%
Private Debt													
Prudential	647,038	2.9%	3.0%	1.47%	-0.34%	628,881	3.0%	2.9%	3.84%	5.37%	-0.13%	N/A	N/A
Lehman Aggregate				1.24%	-0.58%				3.81%	5.09%	-0.81%	N/A	N/A
Timberland													
TIR - Teredo (4)	474,918	2.1%	2.1%	2.22%	-0.06%	447,425	2.1%	2.1%	-0.19%	2.03%	-1.44%	7.62%	N/A
TIR - Springbank	970,514	4.4%	4.4%	-0.20%	-0.03%	937,279	4.5%	4.5%	-0.06%	-0.25%	13.53%	N/A	N/A
Total Timberland	1,445,432	6.5%	6.5%	0.59%	-0.04%	1,384,705	6.6%	6.6%	-0.10%	0.49%	9.43%	20.37%	N/A
NCREIF Timberland Index				0.85%	0.28%				0.85%	1.71%	19.69%	13.94%	N/A
TOTAL DOMESTIC FIXED INCOME	5,159,753	23.2%	24.5%	1.58%	-0.30%	4,980,775	23.7%	24.5%	2.67%	4.30%	3.12%	8.91%	8.14%
Lehman Aggregate				1.24%	-0.58%				3.81%	5.09%	-0.81%	2.05%	4.97%
HIGH YIELD BONDS													
Core													
Loomis Sayles	562,399	2.5%	2.5%	4.69%	1.02%	537,171	2.6%	2.5%	4.85%	9.77%	4.74%	N/A	N/A
Sutter/Wells Capital	535,748	2.4%	2.5%	1.39%	-0.13%	528,770	2.5%	2.5%	2.84%	4.27%	4.70%	N/A	N/A
Total Core	1,098,147	4.9%	4.9%	3.05%	0.46%	1,065,941	5.1%	5.0%	3.84%	7.01%	4.72%	5.70%	3.38%
LB High Yield 2% Issuer Constrained Index				4.11%	1.11%				3.76%	8.02%	4.38%	N/A	N/A
Mezzanine Debt													
Goldman Sachs	13,371	0.1%	0.1%	0.00%	0.00%	7,636	0.0%	0.0%	0.00%	0.00%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	1,111,518	5.0%	5.0%	3.04%	0.46%	1,073,577	5.1%	5.0%	3.82%	6.97%	4.72%	8.34%	7.47%
LB High Yield 2% Issuer Constrained Index				4.11%	1.11%				3.76%	8.02%	4.38%	8.48%	8.60%
INTERNATIONAL FIXED INCOME													
International Sovereign													
UBS Global (Brinson)	963,178	4.3%	4.5%	1.88%	-1.99%	938,559	4.5%	4.5%	-0.15%	1.72%	0.13%	5.24%	9.99%
Citigroup Non-US Gov't Bond Index (5)				2.09%	-2.12%				0.89%	3.00%	-0.11%	5.01%	9.58%
International Core													
Brandywine	982,389	4.4%	4.5%	2.84%	-1.24%	961,963	4.6%	4.5%	1.93%	4.83%	3.89%	8.39%	N/A
Lehman Global Aggregate (ex-US)				2.57%	-1.80%				1.13%	3.73%	3.83%	5.69%	N/A
TOTAL INTERNATIONAL FIXED INCOME	1,945,567	8.8%	9.0%	2.37%	-1.61%	1,900,521	9.0%	9.0%	0.89%	3.28%	2.01%	6.82%	10.91%
Citigroup Non-US Gov't Bond Index (5)				2.09%	-2.12%				0.89%	3.00%	0.00%	5.05%	9.60%
REAL ESTATE													
INVESCO													
J.P. Morgan Strategic & Special Funds	852,296			0.14%	0.00%	872,217			1.55%	1.69%	23.84%	N/A	N/A
J.P. Morgan Alternative Property Fund	894,241			4.17%	1.69%	881,730			4.36%	8.72%	21.05%	17.14%	12.52%
J.P. Morgan Alternative Property Fund	209,059			0.00%	0.00%	193,163			-2.82%	-2.82%	N/A	N/A	N/A
TOTAL REAL ESTATE	1,955,596	8.8%	8.5%	1.94%	0.77%	1,947,109	9.3%	8.5%	2.40%	4.38%	22.09%	17.14%	12.52%
NCREIF TOTAL INDEX				3.51%	1.16%				3.51%	7.14%	18.22%	15.63%	12.19%
ALTERNATIVE INVESTMENTS													
Coral Partners V	18,501			1.68%	0.00%	28,864			-0.31%	1.36%	8.74%	-15.32%	-24.06%
Coral Partners V - Supplemental	2,252			8.05%	0.00%	2,621			-0.70%	7.29%	10.53%	10.33%	N/A
Coral Partners VI	38,392			-2.87%	0.00%	44,338			-0.08%	-2.95%	-6.22%	-10.14%	N/A
Brinson 1998 Partnership Fund	5,528			2.07%	2.07%	6,075			4.03%	6.18%	16.52%	15.11%	1.97%
Brinson 1999 Partnership Fund	10,025			4.42%	4.42%	15,077			8.99%	13.81%	14.27%	12.72%	-1.26%
Brinson 2000 Partnership Fund	32,327			2.97%	2.97%	35,221			4.86%	7.98%	28.22%	17.90%	3.70%
Brinson 2001 Partnership Fund	21,993			-1.63%	-1.63%	25,080			8.12%	6.36%	19.85%	9.95%	3.22%
Brinson 2002 Partnership Fund	12,387			-6.73%	-6.73%	14,900			9.58%	2.20%	32.42%	13.22%	N/A
Brinson 2003 Partnership Fund	3,673			5.60%	5.60%	3,902			3.05%	8.82%	25.48%	6.77%	N/A
Brinson 1999 Non-US Partnership Fund	4,599			25.02%	25.02%	5,661			16.69%	45.89%	40.48%	30.98%	18.60%
Brinson 2000 Non-US Partnership Fund	8,906			0.83%	0.83%	9,908			26.11%	27.15%	35.03%	21.65%	13.01%
Brinson 2001 Non-US Partnership Fund	8,994			-19.07%	-19.07%	12,466			7.27%	-13.19%	27.25%	17.46%	8.96%
Brinson 2002 Non-US Partnership Fund	16,070			31.26%	20.81%	16,746			17.05%	53.64%	38.11%	22.66%	N/A
Brinson 2003 Non-US Partnership Fund	12,806			12.56%	12.56%	10,836			21.45%	36.70%	31.08%	8.89%	N/A
Brinson 2004 Non-US Partnership Fund	4,747			7.00%	7.00%	4,019			-0.77%	6.18%	24.56%	N/A	N/A
Brinson BVCF IV	52,891			10.81%	0.00%	53,545			9.17%	20.98%	31.35%	19.07%	0.41%
Adams Street Direct Co-investment Fund	5,492			-5.02%	0.00%	6,486			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	39,131			12.96%	0.00%	38,863			-5.52%	6.72%	-11.68%	26.48%	N/A
Matlin Patterson Global Opportunities II	90,090			0.27%	0.00%	71,479			0.71%	0.98%	-0.85%	N/A	N/A
InvestAmerica	16,439			0.00%	0.00%	18,441			30.21%	30.21%	0.00%	-9.20%	N/A
Hearthstone MSII	1,283			0.00%	0.00%	446			0.00%	0.00%	-100.00%	-100.00%	-100.00%
Hearthstone MSIII	6,794			-1.32%	0.00%	1,042			38.24%	36.42%	59.61%	N/A	N/A
Quantum Resources	8,314			N/A	N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	421,634	1.9%	3.0%	3.68%	0.92%	426,020	2.0%	3.0%	6.16%	10.07%	11.08%	11.81%	-2.11%
CASH EQUIVALENTS													
Northern Trust STIF/STEP	73,262	0.3%	0.0%	1.30%	0.38%	152,170	0.7%	0.0%	1.34%	2.65%	4.31%	2.64%	2.41%
90 Day T-Bill				1.26%	0.44%				1.33%	2.60%	4.00%	2.37%	2.25%
TOTAL FUND	22,195,016	100.0%	100.0%	5.65%	1.00%	21,020,137	100.0%	100.0%	2.95%	8.77%	10.18%	13.18%	7.21%
POLICY TARGET BENCHMARK				4.97%	0.68%				3.48%	8.63%	7.37%	9.97%	5.73%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.